

Policy

Assisted Home Ownership - Sales and Allocations

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

STATUS (Draft/Approved/Updated/Archived)	REFERENCE
Approved	WLC55PO

Important notice:
Printed paper copies of this procedure are **uncontrolled**.
The current version of this procedure is available on the Group Intranet site

Version	Date Amended	Comments	Date Approved	Author	Approved by
Draft A	May 1998	First Draft for Comment		GWH	
Draft B	July 1998	Second Draft for Comment		GWH	
Draft C		Amended after Consultation		GWH	
Rev 1		RHSC Approval and Plain English Campaign Amendments	Mar 1999	GWH	RHSC
Rev 2		Amendments by Main Board	July 1999	GWH	Main Board
Rev 3		Amendments	Feb 2002	GWH/AWW	MWH
Rev 4	Sept 2004	Major amendments inc assessments, allocations, prioritisation. Approved by Main Board	Sept 2004	GWH/NJT	Main Board
5	Jan 2005	New document format and numbering	Jan-2005		RDW
6	Dec 05	New appeals process	Dec 05	HJH	Board
7	Sep 06	Change in titles	Sep 06	RDW	Chair

Contents

Contents -----	2
1. Purpose -----	3
2. Policy Objectives -----	3
3. How to Apply -----	3
4. Eligibility Criteria -----	4
5. Allocations -----	6
6. Appeals -----	9
7. Data Protection and Confidentiality -----	11
8. Equality and Diversity -----	12

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

1. Purpose

It is the policy of Western Challenge Housing Association to operate assisted home ownership initiatives to help those who aspire to be homeowners but who cannot afford to purchase on the open market. In addition, Western Challenge has a policy to work towards sustainable communities and considers assisted home ownership to contribute to this policy.

Western Challenge has shared ownership properties under management throughout the South and South West of England. Furthermore, the Association is actively building new shared ownership homes in the same region.

In addition, Western Challenge builds and manages homes for ownership under other assisted programmes, (for example equity loan assisted tenanted ownership).

This selection and allocation policy provides details of the way the Association determines priority for properties being sold for the first time and properties that have been sold before. It is applicable to all assisted home ownership products sold out of the Home Ownership function of the Development Department except Right to Acquire and Right to Buy; (these initiatives are set by national policy and subject to statute). This policy **does not** apply to Homebuy used to purchase properties on the open market, (this is sold out of the Development Department).

2. Policy Objectives

The key objectives of the Selection and Allocation policy are:

- To offer properties to those in greatest housing need.
- To ensure those buying properties can afford them.
- To promote the Association's commitment to sustainable communities and the iNbusiness agenda.
- To release rented stock for re-let
- To ensure buyers are aware of their responsibilities under the terms of the lease
- To treat applicants in a fair and non discriminatory way in accordance with the Association's Equality, Diversity and Inclusion policy

3. How to Apply

3.1 Gaining access to the Association's shared ownership stock

There are a number of different routes to gain access to the Association's shared ownership stock.

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

3.1.1 Direct applicants- the internal register

Applicants should complete a shared ownership application. If accepted, their details will be put onto the shared ownership register. Applicants will be sent details of properties they are eligible for as and when they become available and will be asked to view them.

3.1.2 Local authority nominations

The Association works closely with local authorities to assist them in meeting local housing need and to ensure that local authorities are able to meet their statutory obligations. The responsibilities of each party are agreed as part of a Nomination agreement.

3.1.3 Nominations from other agencies

Nomination agreements may be set up with other agencies such as employers of Key Workers or nominations under Zone Agent agreements. All such agreements must follow the general approach of the Selection and Allocation policy subject to any specific funding related criteria.

4. Eligibility Criteria

4.1 Consideration for assisted home ownership

Before an applicant can be considered for assisted home ownership certain criteria will need to be met. An applicant must:

- Not be able to buy a suitable home on the open market in the usual way
- Be able to afford the associated costs of buying a home
- If required, be able to get a mortgage from a building society, bank or other reputable source of finance
- Not, if an existing tenant of Western Challenge, be more than 4 weeks in arrears on application and the arrears must be cleared on purchase.
- Be prepared to give/provide evidence of circumstances if asked

4.2 Assessment of application

On receipt of an application, an initial assessment will be undertaken to determine individual circumstances and the applicant(s) financial ability to support a shared ownership purchase. The Association may request further information or request the applicant(s) to attend an interview to clarify or confirm statements made in the application before confirming acceptance onto the register.

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

4.2.1 Financial Assessment

When considering an application for shared ownership the Association will carry out a financial assessment based on the information supplied on the application. The assessment is intended to give the applicant(s) an indication of their likely financial outgoings as a homeowner and an approximation of their net disposable income after meeting their requirements. The assessment is for guidance only and the Association will advise all applicants to seek their own financial advice if they are offered a shared ownership home.

The financial factors used in the financial assessment are as follows:

- The mortgage is based on a typical prevailing interest rate over 25 years.
- We use a typical income multiplier (before tax and National Insurance) on first and second income that matches the multipliers typically used by the main shared ownership lenders.
- We will assess against typical occupational costs for shared ownership properties in the area.
- We will also calculate approximate household outgoings.

The Association will include some benefits as part of the income but must be satisfied that the benefit will continue and is for housing and household purposes, (not for any other purpose such as child benefit).

The Association may request that the applicants(s) provide proof of all income, savings, investments and benefits, along with any debt commitments they have. If the applicant is applying for shared ownership because debt is preventing them from purchasing on the open market, we may discount that debt when considering the application. However, in these circumstances we will not penalise for 'reasonably incurred debt'. By this, we mean loans for essential car purchase, student's loans, small advances and so on.

4.3 Changes in circumstances

It is the applicant(s) responsibility to let the Association know of any changes to their circumstances, especially after an application has been assessed. All changes should be in writing and attached to the application form once the register has been updated.

4.4 Register Review

The Association will aim to carryout a review every 6 months of all applications held on the register to ensure that the information held is current and that no information is kept longer than is necessary in accordance with Data Protection.

A review letter will be generated by the register to all applicants whose application is over 6 months old or has not been updated with the last 6 months.

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

If the applicant wishes to remain on the register they must return the letter updating any changes in circumstances. The applicant will be advised they will be removed from the register if they do not return the review letter.

4.5 Refusal of Application

An application will be rejected for shared ownership at any stage where it is established that the applicant does not meet the eligibility criteria. The applicant will be advised of the reason for the decision in writing and will be given a right of appeal.

4.6 Record Keeping and Monitoring

All applications received will be recorded on a computerised register and given a reference number.

Separate files will be maintained as follows:

LIVE	Application on register accepted for shared ownership
QUERY	Application to be assessed subject to further information being supplied
REGRET	Application refused

5. Allocations

5.1 Marketing

When exiting properties come up for re-sale, Western Challenge will market that property to applicants on its register who are eligible. Western Challenge will also market the property to the relevant Local Authority so they might make applicants on their registers aware of the re-sale.

5.2 Local Lettings Plan

The allocations on some developments are influenced by agreements with the Local Authority, Key Worker directives, or Section 106 planning requirements. Such agreements are referred to in this policy as Local Lettings Plans, (but have a wider context to the interpretation of this definition than that used for properties available for General Rent.) Whenever a property is available to purchase reference will be made to the Local Lettings plan to ensure that the applicant selected fulfils the Association's agreements.

5.3 Matching Eligible Applicants to Properties

Applicants will be selected to receive property details by referring to the shared

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

ownership registers computerised matching module. The module will extract applicants who meet with the household size and are able to afford the purchase. **Note:** It is often the case that on 'new-build' schemes, the local authority will have 100% nomination rights on the first sale. However, any nominees supplied will be assessed according to this policy.

5.4 Financial assessment

We will carry out a financial assessment as detailed in 4.2.1 except we will carry out the assessment against the specific property for sale.

5.5 Matching the property to size of household

Properties will be allocated according to the size of the household. The following minimum household/property size matches will apply:

Bed-sitting Room	Single person
1 Bedroom (1 person)	Single person
1 Bedroom (2 person)	Single person or couple
2 Bedroom (3 person)	Single person, couple, families with one child, 2 single persons
2 Bedroom (4 person)	Couple, families with one or two children
3 Bedroom (5 person)	Families with one, two or three children
4 Bedroom (6 person)	Families with two, three or more children

The following principles will apply when allocating accommodation:

- Applicants will not be allocated a property in excess of these standards unless there is either proven medical evidence or confirmation that the applicant has staying access to a child from a former relationship
- No more than two children are to share a bedroom
- A child aged 8 or more will not be expected to share a bedroom with someone of the opposite sex.

Exceptions: The occupation density requirement can be relaxed if there is no suitable applicant expressing interest in a property for sale. This is particularly relevant in the case of re-sales where we have a responsibility to the outgoing resident to find a purchaser in a timely manner.

5.6 Prioritisation of Applicants

The Association will give priority to applicants who are first-time buyers or tenants of a local authority, housing association or other public body and whose property can be let to someone else who needs housing. Western Challenge will consider an applicant buying in their own right after a relationship split as first time buyers, even if they had previously owned a home jointly with their former

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

partner.

Factors considered will also given to applicants who are:

- put forward by the relevant local authority;
- on a local authority's shared ownership waiting list;
- on a housing association's shared ownership waiting list;
- moving to a new area because of a job and can not afford house prices in the new area;
- already shared owners but need to move, for example because of overcrowding;
- moving from their home to avoid extreme social problems such as intimidation, abuse, harassment and so on.

5.6.1 Points System

The Association operates a points system to prioritise between competing applicants applying for an assisted home ownership property. When interest is shown in a particular property for sale, points are awarded to reflect their present housing circumstances. When selecting a purchaser for a property the allocation will be made to the applicant assessed to have the greatest number of points after Local Letting Plans are taken into account. In the result of more than one application having the same points, priority will be given to the applicant who has been on the register the longest.

Each application should be assessed for their priority by giving points as follows:

	No of points
Placed in temporary accommodation by local authority	65
Council or housing association tenant	55
Living with friends and family	35
Private tenant with less than 5mths left on tenancy	35
Private Tenant	30
Existing shared owner	10
Existing home owner	5

10 Points will be deducted from the grey boxes if applicants have owned before except if buying in their own right after a relationship split.

The following points will be added if details are provided in the application

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

Moving to provide support for family members	25
Moving because of over-crowding	20
Moving because you will become overcrowded	15
Moving because of problems, (intimidation, harassment and so on)	15
Moving where house prices are higher	10
Moving because the home is in poor condition	10
Moving because the home is not suitable for your medical needs	10
Points added if the property will have no spare bedrooms	10
Moving to avoid occasional overcrowding, for example family visits	5
Regret for purchasers previously offering on a property for sale	5
On local authority housing waiting list/register	5

5.6.2 Exceptions

The Association retains the right to allocate outside this method in exceptional circumstances for reasons of community balance, pressing need, sustainability, neighbourhood harmony etc. For example, an applicant may be given priority for housing following intervention from the police or Social Workers in the event of domestic violence, racial violence etc. Similarly, an applicant with the highest number of points *may not* be awarded a property if they are known racists and the property is adjacent to a known BME household.

The shared ownership lease requires contracts to be exchanged within a specified period following nomination. Therefore, applicants with the highest number of points may not be awarded a property if they cannot fulfil this requirement.

6. Appeals

An applicant may request a review of a decision at any stage of the process. If the applicant is not satisfied with a decision or action taken they may appeal against the decision by using the Appeals Procedure.

NB: This is a separate process to the Complaints Procedure. The Complaints Procedure should be pursued if the customer is dissatisfied with the way that the Association has handled an issue or dealt with the customer. The Appeals Process should be followed if the customer requests a review of a decision that has been made by the Association.

6.1 Stage 1

An appeal from the tenant must be:

- In writing/recorded in writing

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006

- Made within **10 working days** of the decision being made
- Addressed to the Sales and Marketing/Alternative Tenures Manager
- Outline the reason of dissatisfaction

- The tenant should expect a response from the Sales and Marketing/Alternative Tenures Manager:

- Within **5 working days** (of receipt) to acknowledge their letter
- Within **10 working days** (of acknowledgement) as a final response to their letter (this response includes a Stage 2 appeal form).

NB: 1 month after the response date, the case may be closed if the tenant has not registered any dissatisfaction with the outcome.

6.2 Stage 2

Should the case be taken further, the tenant should:

- Complete an Appeal Form
- Address it to the Director of Development
- Return it within **10 working days** of receipt of the Stage 1 response.

The tenant should expect a response from the Director of Development within **10 working days** of receipt of their Appeal Form

6.3 Stage 3

Should the tenant continue to be dissatisfied, as a 3rd and final stage, they may request that the Appeals panel considers their appeal. This must be:

- Within **10 working days** of receipt of the Stage 2 response
- In writing/recorded in writing to the Director of Development

The Appeal Panel consists of 2 members of the Association's Committee of Management, 1 of which must be a Tenant representative. The hearing must be arranged for a time no more than **1 month** from this notification and will go ahead even if the tenant is unable to attend / be represented.

A written report must be issued by the Director of Development/Area Housing Manager/Senior Housing Officer and circulated along with a copy of the written appeal from the applicant. This should be given to all members of the Appeals Panel and the tenant a minimum of **5 calendar days** before the date of the hearing.

The tenant can chose to take one of the following options in order to support their appeal:

<p>Status Document reference Date document written/amended</p>	<p>Approved WLC55PO September 2006</p>
---	--

- Not attend however send/record a written statement
- Attend and in addition to sending in/recording a written statement
- Attend and represent themselves verbally
- Attend and be accompanied by a professional or “lay” representative / advocate
- Not attend however be represented by professional or “lay” representative / advocate

The tenant must give the Association at least **7 calendar days** notice in writing of their intention and also if they are choosing to attend, they must inform the Association of any special requirements to be catered for (disabilities, hearing impairment, non English speakers).

PLEASE REFER TO COMPLAINTS PROCEDURE – GUIDANCE FOR ARRANGING AND CONDUCTING AN APPEAL PANEL

The Appeal Panel will advise the tenant that the formal response will be sent to them within **14 calendar days**.

The formal response will advise the tenant of any findings made by the Panel, their decision and the reason for their decision.

6.4 The Housing Ombudsman Service

Should the tenant complete all 3 stages and still be dissatisfied, they have a right to complain to the Housing Ombudsman.

Housing Ombudsman Service
 Norman House,
 105-109 Strand
 London WC2R 0AA

Tel: 0845 7125 973

The Ombudsman has the power to reject the appeal or order a solution but this can take many months to resolve. In these circumstances, the Association will decide on the appropriate course of action on a case-by-case basis depending on the circumstances.

7. Data Protection and Confidentiality

The exchange and processing of personal information will be treated with appropriate levels of confidence and will be fair and lawful. In particular the Association will ensure that the relevant processing is notified to the Information Commissioner and is conducted (where relevant) with the necessary consent of

Status Document reference Date document written/amended	Approved WLC55PO September 2006
--	---

the individual concerned. The Association will ensure that personal information is accurate; not kept for longer than is necessary; secure; and adequate, relevant and not excessive. All information will be processed in accordance with the rights of the individual.

The Association has produced a leaflet entitled "About the information we hold about you." This document is included in the application pack and should be read prior to signing the completed application form. By signing the application form the applicant(s) are authorising the Association to process their personal information in accordance with our Confidentiality, privacy and data protection policy (GCE122PO).

8. Equality and Diversity

Western Challenge's intention is to develop a culture that embraces all customers and potential customers, integrating their needs and aspirations into everyday business. We recognise that there are many barriers to true equality of opportunity, ranging from overt prejudice in favour of, or against, particular groups or individuals to unwitting ignorance of different lifestyles and needs. On whatever level it exists discrimination is neither acceptable nor tolerable. To this end, WCHA has developed an Equality, Diversity and Inclusion policy (GCE112PO).

In operating this policy the Association will not discriminate on the grounds of gender, race, colour, ethnic or national origin, religion, sexual orientation, marital status, age, disability, social position, politics, trade union membership or social disadvantage, or any other personal circumstances. The Association will not discriminate against the disabled by evicting a person for reasons relating to their disability, even where the disability is directly linked to the anti-social behaviour, unless it is necessary in order to avoid endangering the health and safety of another person.

In addition, the Association has a separate policy on Harassment, including racial harassment which demonstrates how we intend to fulfil our duties under Section 71 of the Race Relations Act 1976. The general duty under this Act is to:

- Have due regard to eliminate unlawful discrimination and harassment
- Promote equality of opportunity
- Promote good relations between people of different racial groups
- Encourage people to report racially motivated incidents
- Support complainants and their families
- Take action against perpetrators

Our aim throughout all our policies and procedures is to make the promotion of racial equality central to the way our services are designed and delivered.

Status	Approved
Document reference	WLC55PO
Date document written/amended	September 2006